

HISTORY

OF THE

Massachusetts Savings Banks.

BY

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and difficult to do wrong.”—*Gladstone.*

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"It is the duty of rulers to make it easy for the people to do right and difficult to do wrong."—*Gladstone*.

IT is a fact, well-nigh universal, that those institutions and organizations which have blessed humanity most widely, have been the immediate outgrowth of conditions of practical necessity on the part of the common people. Unable, by virtue of limited resources, to do for themselves that which the common weal has imperatively demanded, the interests and needs of the masses have always, and rightfully, been cared for and supplied either by the philanthropy of individuals or by legislative decree. Hence, this fact in mind, it is the occasion of no surprise to find, upon investigation, that the Institution for Savings had its origin in the purpose, on the part of benevolent individuals, to encourage habits of frugality and thrift among the poor and indigent, in this and other countries.

This idea, from its inception, has been so largely and gradually a development from a remote and but vaguely defined principle, that it is somewhat difficult to indicate just how and when and where it first saw the light. It is known, however, that among the other excellent things suggested by Daniel Defoe was the propriety of providing for and encouraging small savings among the common people. This was in 1697. Nearly a century later we find that this idea had been embodied more or less distinctly in certain institutions in Brunswick (1765), Hamburg (1778), Oldenburg (1786), Loire (1790), Basel (1792), Geneva (1794), and Kiel in Holstein (1796). Regarding these institutions, Mr. Lewins, in his "History of Banks for Savings in Great Britain and Ireland," remarks: "That, from the best investigation I have been able to make, the institutions in question were something very different from savings banks as English people understand them, dealing, as they did, in

business more like the sale of deferred annuities. The institution at Hamburg simply took the spare cash of servants and handicraftsmen, and granted annuities on the members arriving at a certain age. No withdrawal of money was allowed."

It is Jeremy Bentham who is credited with having revived the theory of Defoe in Great Britain, when, in 1797, he suggested what was known as the Frugality Bank. His plans were actually put in practical operation, in 1799, by Rev. Joseph Smith, of Wendover, who volunteered to receive from his parishioners any deposits of money which they might choose to make with him during the summer, the same to be returned, if desired, at Christmas, with the addition of one-third the amount, as a bounty upon the frugality of the depositor.

In 1798, a Mrs. Priscilla Wakefield established a "Friendly Society for the Benefit of Women and Children," at Tottenham. This appears to have been, also, an institution for the granting of annuities; but, in 1801, it united with this original purpose a "fund for loans and a bank for savings." In 1804, this institution was formally organized as a bank for savings.

Waiving the matter of the special claims to priority preferred by the adherents of any of the persons mentioned in connection with the founding of these early institutions for savings as being unimportant in this connection, we feel obliged to mention the name of Rev. Henry Duncan, minister at Ruthwell, Dumfriesshire, Scotland, as deserving special prominence in this early history. For, not only is he known as the founder of the first savings bank in Scotland, in 1810, but he accomplished more than any other individual, by making known throughout Great Britain the practical value of the system, and by reducing his theories to a simple working basis. He published various papers on the subject, and gave his personal services in organizing similar institutions in Scotland and England. His was the first self-sustaining bank; and it was used as a model for similar institutions for a considerable period.

It should here be observed that these early institutions were purely voluntary in their nature, having neither Government recognition nor control. They were dependent for support and for credit upon the public confidence in the management; and it is but just to say that the confidence thus bestowed was rarely abused.

The first savings bank in Great Britain authorized by Parliament was by act of that body passed August, 1817.

INCEPTION IN UNITED STATES.

The foregoing history of the early development of the institution for savings in Europe, and especially in Great Britain, has been considered necessary to an intelligent understanding and appreciation of its beginnings in this country.

The outcome of the War for Independence, while in many ways advantageous to the people, was, in certain respects, disastrous to their immediate interests. It left them poor in means and unsettled in habits and principles. Wages were low and prices were proportionately high. The law of self-preservation seemed to actuate and control individuals in their mutual intercourse and relations. The elements of thrift were not a common possession among the masses. It was to meet and to provide for such conditions that the highest intellectual resources of legislators and philanthropists were called into action.

To this end it was attempted to regulate wages by establishing by law a minimum price for the same. Failing in this, a similar endeavor was made to fix the limit beyond which prices should not rise for the necessities of life. The omnipotence of the law of demand and supply seems not to have been recognized in any of these abortive attempts to ameliorate the condition of the common people. Later, and with the sanction of the laws of the States, lotteries were commonly established for purposes of revenue for public and charitable enterprises. But, in all such endeavors, the snake was only scorched, not killed. It still remained for some enterprising and far-sighted person or persons to inaugurate such a system of practical beneficence as would, slowly it may be, but none the less surely, educate the people up to such a condition of self-help as would, in the end, provide a satisfactory solution of the troublesome enigma.

From this time on, the progress of the idea of providing for and encouraging the savings of the common people was quite rapid, and coincident with the similar agitation in Europe. Here, as there, many local and voluntary associations came into being having this idea more or less distinctly defined in their articles of association. It took but a brief period to demonstrate the practicability of the embodied principles of the system, although it was equally evident that other and more effectual methods would be necessary to place such principles on a basis of permanency.

BEGINNINGS IN MASSACHUSETTS.

The agitation grew apace in Massachusetts. Foremost among the Colonies to recognize the common necessities, and to contribute her proportion toward the support of every enterprise affecting the well-being of the whole people, Massachusetts did not wait for a leader, when, acting in her sovereign sphere as a State, she could contribute anything toward the betterment of her own citizens. Hence, it was simply in keeping with all her antecedents that Massachusetts should lead the movement in favor of the establishment of Institutions for Savings. Not only was the first of such institutions under legal enactment in the United States founded in

Boston, but the Act of December 13, 1816, is, so far as known, the first public act of legislation in the *world* investing such institutions with the protection of law.

The Hon. James Savage, of Boston, has credit for having taken the first active measures looking toward the founding of a Bank for Savings in Massachusetts. The first public announcement of the proposed plan was made in the December number of *The Christian Disciple*, a religious paper published at the time in Boston. As announced, the purpose was: "For the security and improvement of the savings of persons in humble life."

That those who had the matter in charge were very much in earnest, is evident from the fact that, on the thirteenth day of the very month on which the first announcement was made, the act of authorization was approved by the Legislature. Forty-eight names appear in the original list of trustees of the institution—names that have a familiar appearance to one acquainted with the annals of Boston during that period.

At the time the Provident Institution for Savings opened its doors, the city of Boston had a population of between 35,000 and 36,000. The banking capital of the State was \$11,475,000, and of the nation \$125,000,000. This last fact is significant, as indicating the comparative maturity of the general banking business of the country at the inception of the Institution for Savings.

FIRST INSTITUTION FOR SAVINGS.

The Provident Institution for Savings, in the town of Boston, began business in the spring of 1817. It is noticeable that neither in the charter of this institution, nor in the charters of similar organizations granted previous to 1833, does the word "bank" appear in any instance. It is supposed that this distinction was made, and the term "Institution for Savings" employed, for the purpose of avoiding a certain sentiment of antipathy, which, at the time, appeared to be entertained toward the existing "banks" by the common people.

The trustees of the "Provident" promised to divide to its depositors one per cent. quarterly, and more if possible. The first dividend was declared the 1st of the following July, according to agreement. Afterward, until January, 1822, the quarterly dividend was one and one-fourth per cent., at which time the deposits had reached \$600,000, and a surplus was held of \$6,200. The quarterly dividend was then reduced to one per cent., with the purpose of dividing the reserve every five years by means of an extra dividend; such dividend to be apportioned to depositors on the basis of the amount and the time of the deposit. Out of the then existing surplus an extra dividend amounting to \$8,000 was paid, according to the above plan, July 1st following.

In 1827, this institution appears to have had \$34,000 in reserved profits on a total deposit of \$793,000. At this time a second extra dividend was declared. In 1832, the expiration of the second period of five years, the number of depositors was 60,500, and the deposits \$1,442,000. The crisis of 1837 entailed such losses on this institution, in common with all others, that it was unable to pay its usual extra dividend, although it had paid with commendable regularity the quarterly dividend of one per cent. through the period.

The losses to these institutions during the crisis of 1837, suffered largely through their investments in bank stock, either directly or where held as collateral for loans, reached, it is estimated, the round sum of \$275,000.

Previous to the passage of the general law, in 1834, the institutions for savings were subject to no legal restrictions save such as were imposed by the terms of their respective charters; and, moreover, they were permitted to institute such laws for their own government as were not contrary to the laws of the commonwealth. About the only provision made for the supervision and inspection of these early institutions by the Government was the following, taken from the charter of the New Bedford Bank, and which is repeated in substance in most of the other charters: "The officers and agents of said institution shall lay a statement of the affairs thereof before any persons appointed by the Legislature to examine the same, whenever requested so to do, and shall exhibit to them all the books and papers relating thereto, and shall submit to be examined by them the same, under oath. And the Legislature may, at any time, make such further regulations for the government of said institution as they may deem expedient, and may alter or repeal this act at pleasure." It is very creditable to these institutions that this provision of their respective charters was rarely called into effect.

Between 1816 and 1833 twenty-two charters were granted, fourteen of this number being granted subsequent to 1828. Two other institutions were incorporated, but failed to take out charters. The last act of incorporation, prior to the passage of the general laws, was approved in March, 1833. By it the Savings Bank for Freeman, in the city of Boston, came into being. It was at the same session of the General Court that authority was given the Provident Institution to purchase real estate to an amount not exceeding \$30,000.

ORDER OF BANK CHARTERS.

Inasmuch as those banks chartered previous to the enactment of the general law of 1834 have an interest all their own, by virtue of their priority, it has been considered desirable to name them in

this connection. They will be found in the order in which the charters were granted :

Provident Institution for Savings, in the town of Boston, December 13, 1816.

Institution for Savings, in the town of Salem and vicinity, January 29, 1818.

Institution for Savings, in the town of Portland and vicinity, June 11, 1819; not organized.

Institution for Savings, in Newburyport and vicinity, January 31, 1820.

Provident Institution for Savings, in the town of Hallowell and vicinity, February 21, 1820; not organized.

Institution for Savings, in the town of Roxbury and vicinity, February 22, 1825.

New Bedford Institution for Savings, June 16, 1825.

Lynn Institution for Savings, June 20, 1826.

Provident Institution for Savings, in the town of Taunton and vicinity, February 26, 1827.

Springfield Institution for Savings, June 16, 1827. Original charter limit, thirty years.

Institution for Savings, in the town of Haverhill and vicinity, February 8, 1828.

Worcester County Institution for Savings, in the town of Worcester, February 8, 1828.

Provident Institution for Savings, in the towns of Salisbury and Amesbury, February 20, 1828.

Fall River Institution for Savings, March 11, 1828.

Plymouth Institution for Savings, June 11, 1828.

Lowell Institution for Savings, February 20, 1829. Original charter limit, thirty years.

Warren Institution for Savings, in the town of Charlestown, February 21, 1829.

Institution for Savings, in the town of Barnstable, January 29, 1831.

Provident Institution for Savings, in the town of Gloucester and vicinity, February 3, 1831.

Dedham Institution for Savings, March 19, 1831.

Institution for Savings, in the town of Newton, June 17, 1831.

Institution for Savings, in the town of Fairhaven, February 10, 1832.

Weymouth and Braintree Institution for Savings, February 16, 1833.

Savings Bank for Seamen, in the city of Boston, March 7, 1833; name changed to Suffolk afterward.

As has been stated, of these twenty-four institutions as incorporated, all but two commenced business, and with the exception

of the Taunton, which failed in 1843, the Gloucester in 1844, and the Barnstable in 1878, all are in existence at the present time.

To assist in a more intelligent comprehension of the very remarkable progress of these early institutions, the following table has been prepared, giving the number of depositors and the total amount of deposits in each institution in 1834, and also in 1887, the year of the latest available returns. The Springfield Institution appears to have made no returns in 1834, owing, no doubt, to the fact that its deposits were too small to justify a statement. Leaving this item out of the calculations in 1834, and also omitting the three institutions which had failed prior to 1887, is it not, truly, a remarkable showing, that the number of depositors increased from 24,252 to 310,293, and the total deposits from \$3,406,935, to the significant figure of \$122,940,940. The average deposit in 1834 was \$140, while in 1887 it was \$392.

TABLE SHOWING COMPARATIVE CONDITION OF TWENTY-TWO SAVINGS BANKS IN 1834 AND 1887.

<i>Date.</i>	<i>Name.</i>	<i>1834.</i>		<i>1887.</i>	
		<i>Accounts.</i>	<i>Deposits.</i>	<i>Accounts.</i>	<i>Deposits.</i>
1816..	Boston. Provident.....	11,495	\$1,686,202	72,955	\$26,897,853
1833..	Boston. For Seamen*.....	272	32,937	49,292	20,045,975
1831..	Barnstable†.....	142	17,160	—	—
1831..	Dedham.....	538	61,166	5,307	1,930,266
1832..	Fairhaven.....	102	9,102	816	429,021
1828..	Fall River.....	335	46,692	10,995	5,459,623
1831..	Gloucester‡.....	240	20,014	—	—
1828..	Haverhill.....	327	25,731	12,075	4,109,421
1829..	Lowell.....	1,026	114,105	10,846	3,775,382
1826..	Lynn.....	461	33,646	8,348	2,720,345
1825..	New Bedford.....	1,162	207,764	20,091	10,413,463
1820..	Newburyport.....	1,513	232,460	10,840	4,893,275
1831..	Newton.....	61	1,829	6,253	1,524,901
1828..	Plymouth.....	703	91,672	6,302	2,191,455
1825..	Roxbury (Boston).....	668	83,913	11,060	4,017,894
1818..	Salem.....	2,205	360,852	16,633	6,844,981
1828..	Salisbury and Amesbury.....	263	30,557	5,137	1,739,550
1827..	Springfield§.....	—	—	23,642	9,325,298
1827..	Taunton 	845	121,938	—	—
1829..	Warren (Boston).....	622	62,556	15,407	5,958,070
1833..	Weymouth.....	26	1,097	1,732	554,773
1828..	Worcester.....	1,246	165,542	22,562	10,109,394
		24,252	\$3,406,935	310,293	\$122,940,940

* Name changed to Suffolk.

† Failed in 1878.

‡ Failed in 1844.

§ Not reported in 1834; probably too small.

|| Failed in 1843.

GENERAL LAW OF 1834.

Up to this time there had little fault been found with the management of the savings banks of this State. A proper conservatism, born, no doubt, of the sacred character of the trust as regarded by the originators of the institutions, had prevailed in the administration of affairs. But the multiplication of banks, which became somewhat rapid during and subsequent to the year 1828, had suggested the propriety of a general law regulating and controlling the affairs of all. Such a law was passed April 2, 1834, at which time, as has been previously indicated, the total deposits was \$3,406,935 divided among 24,252 depositors. The provisions of this very important act may be briefly summarized as follows:

1. The officers were to consist of a president, treasurer, and such number of trustees as the incorporators might elect, with other officers if needful.

2. All officers, except the treasurer, were to be chosen annually by the corporation at such time as the by-laws directed; the treasurer was to be elected by the trustees, to hold office at the pleasure of said board.

3. The limit of deposits was fixed at \$1,000, except such as belonged to religious or charitable corporations, "said sums to be invested, used, and improved for the benefit of said depositors."

4. Deposits were to be invested as follows: (1) In the stock of any bank incorporated by a law of the Commonwealth or of the United States; such investment not to exceed one-half the capital stock of any bank. (2) Deposits on time and at interest in any bank. (3) Notes or bonds with bank stock as collateral security; the loan not to exceed ninety per cent. of the par value of such stock. (4) Mortgages of real estate; the total loan not to exceed three-fourths of the whole amount of deposits. (5) Public funds of the Commonwealth or of the United States. (6) Notes of any county, city, or town of the Commonwealth. (7) Personal security, with principal and two sureties all residing in the Commonwealth.

5. No officer or committee of the corporation was allowed to borrow any money thereof. This did not apply to the trustees.

6. All profits were to be divided proportionately among the depositors or their legal representatives after paying all necessary expenses. No provision was made for accumulating a reserve.

7. The treasurer was required to make returns of the condition of the bank to the Secretary of the Commonwealth, whenever so requested by the Governor. The items furnished in said returns were to cover the following: (1) Number of depositors; (2) amount of deposits; (3) amount invested in bank stock; (4) amount deposited in banks on interest; (5) amount secured by bank stock; (6) amount invested in public funds; (7) loans on mortgages; (8) loans to counties, cities, and towns; (9) loans on personal security; (10)

cash on hand; (11) total dividends for the year; (12) amount of the annual expenses. In short, everything seems to have been required that could by any means throw light upon the actual condition of these institutions. This return had to be sworn to by the treasurer and five or more trustees, and was, in due time, laid before the General Court by the Governor. An additional safeguard was provided in subjecting these institutions to an examination by a committee of the Legislature whenever desired. It does not appear that this provision was ever made use of.

The first return under the new law was called for and made September 27, 1834. The showing was as follows:

Number of Banks	22
Number of Depositors.....	24,256
Amount of Deposits.....	\$3,407,773
Investments: Bank Stocks.....	1,192,097
Loans secured by Bank Stocks.....	557,930
Deposits in Banks.....	520,669
Other investments.....	942,923

It will be observed that out of a total deposit of \$3,407,773, these institutions had invested in banks, in one form or another, \$2,270,696, or nearly seventy per cent. of the deposits. It was this fact, first revealed by this return, that provoked unfavorable comment among those solicitous for the permanent well-being of these institutions. And, as the crisis of 1837 soon afterward made evident, this anxiety was not without foundation.

During 1834 and 1835, eleven new banks were chartered, making the whole number in operation, October 29, 1836, twenty-eight; five out of the eleven banks chartered not having perfected their organization. During the same period there had been an increase of 4,500 in the number of depositors, and of nearly \$1,000,000 in the total amount of deposits.

CRISIS OF 1837.

The crisis of 1837 was widespread in its effects. Laying hold of the banks of discount with a damaging severity, it immediately involved the savings banks in the general collapse. As had been expected and predicted by thoughtful men, the large holding of bank stock by these savings institutions had resulted in making the general crisis more universal, and in bringing loss and hardship to those not well able to bear it, namely, the minors and wage workers whose savings had been confided to the care and keeping of such institutions. It not only involved individuals in unexpected loss, but the collapse of so many savings banks gave a rude shock to public confidence in the system. The losses to stockholders, resulting from the financial crisis of 1837, have been estimated in round numbers as \$2,000,000, while the savings banks were involved, it is estimated, to the extent of from \$250,000 to \$300,000.

CHANGES OF 1838.

By an act passed in February, 1838, it was attempted to amend and strengthen the general law of 1834 by providing for a regular and more exact investigation of the affairs of the savings banks. By the appointing of three commissioners whose duties were to visit the banks once at least every twelve months, a twofold benefit was expected. First, a rigid examination by competent parties was thus made inevitable, giving practical assurance of a proper publicity in the internal affairs of these institutions; and, secondly, such intimate acquaintance with the practical operation of the system throughout the State as would be thus secured, would naturally result in improved laws for the regulation of the same. These commissioners were allowed the freedom of the banks so far as was necessary to a complete and thorough examination of all books and accounts. All directors, officers, and agents were required to furnish such additional information as should be desired by the commissioners. Special examinations could be ordered by the Governor at his discretion. A majority of the commissioners could at any time, on sufficient evidence, secure an injunction of the Supreme Judicial Court restraining any bank, or, in the last event, to stop the same from transacting business. They were required to make a report of their official proceedings to the Governor in December of each year. This law was in force only five years, being repealed in March, 1843. The powers conferred were rarely exercised.

The commissioners appointed under the above act were Waldo Flint, Julius Rockwell, and Jonathan Shore. They made their first report December 31, 1838. It was quite an elaborate exposition on the nature and functions of the banks as they were or should be conducted. The report filled forty-five closely printed pages, and, being about the first literature upon the subject of our local banking, is very interesting and profitable reading.

INVESTMENTS.

The following is a summary of the investments of the banks of the State as they appeared at the close of business the last Saturday of October, 1838, according to the above-mentioned report:

Bank stock.....	\$1,426,188
Deposits in banks.....	568,787
Loans on bank stock.....	563,931
Public funds.....	70,000
Loans on public funds.....	10,000
Mortgages of real estate.....	1,121,300
City and town loans.....	465,247
Personal security.....	672,117
Cash on hand.....	144,162

\$5,041,732

Here, again, it will be noticed that the percentage of investments in bank stocks in one form or another is somewhat high, being

more than one-half the total assets. But, when compared with the report of 1834, when the average was about seventy per cent., the showing is an entirely favorable one.

The moral effect of the crisis of 1837 upon the savings banks of the State cannot be better illustrated than by noting the changes in the character of the loans during the following decade. We have at hand such a comparative statement, including the years 1836, 1842, and 1847.

COMPARATIVE STATEMENT OF INVESTMENTS.

<i>Security.</i>	<i>1836.</i>	<i>1842.</i>	<i>1847.</i>
Public Funds.....	5,182	1,373,667	2,130,290
Mortgages of real estate.....	727,518	1,919,502	4,132,386
County and town.....	357,148	597,893	947,094
Personal.....	410,242	1,050,052	2,053,001
Bank stock.....	1,192,097*	249,081	143,305
Deposits at interest.....	520,669*	217,066	140,540

Thus it will be seen that what, at the time, seemed an element of weakness and was so regarded, namely, a too intimate relation between the Institutions for Savings and the Banks of Discount, was, by virtue of the calamity of 1837, turned to good account in bringing about certain changes in those relations, not only in the line above indicated, but also in other directions hereafter to be noted. The rapid increase in the amount of funds invested in public, real estate, and personal securities, is of itself indicative of a healthful advance in the right direction.

FURTHER PROGRESS.

For several years following the crisis of 1837 there were few additions to the number of banks; some that were chartered did not complete their organization, and four were discontinued. The Institution for Savings in Taunton, chartered in 1827, failed in 1843, and finally closed up its affairs in 1848, after paying dividends to its depositors amounting to 82¼ per cent.

In 1841, the law was so changed that savings banks were allowed to loan money upon the stock of Massachusetts railroads as collateral, when the capital stock of such railroad was paid in full, not subject to mortgage, and not worth less than par at the time of the loan. A loan was not to exceed 85 per cent. of the par value of the stock, and was in no case to be in excess of 5 per cent. of the deposits. Investments of this class were never large.

The year 1846 witnessed certain changes in the law affecting the returns required of the banks. In addition to previous requirements, the new law called for the following: (1) Where bank is

* In 1834.

located; (2) amount of each kind of public funds; (3) amount of stock in specified banks; (4) amount loaned on stocks, the different varieties to be named, with amount of loan on each; (5) amount held in real estate; (6) amount on deposit in each and all banks; (7) rate and amount paid in dividends during the past year, with average for past five years.

Another act provided that a married woman might give a receipt for money deposited before or subsequent to her marriage, the same to be a valid release to the bank. This was the beginning of legislation defining the rights and privileges of women and minors in their relations to these institutions; and such legislation has been of inestimable value.

An act was passed in 1847 requiring such banks as were closing up their affairs to make returns of the same on the second Wednesday of January of each year, under penalty of a fine of \$20 for each day's neglect so to do.

APPLICATION OF LAW OF 1834.

By the law of 1834 the savings banks were required to make their returns to the Secretary of the Commonwealth, who, in turn, laid abstracts of the same before one of the houses of the Legislature. It had been the custom to print these abstracts with the other documents of the house before which they were laid. In 1847, a different course was taken. Instead of publishing them, they were referred to the Committee on Banks and Banking, with instructions to investigate and report in regard to the manner in which the various laws had been conformed to during the year. The report that followed brought to notice certain technical violations of the law concerning investments, particularly investments in the securities of other States, and of the cities of other States. It seems that the banks chartered previous to the enactment of the law of 1834 took exception to the enforcement of the said law as against privileges conferred on them by their respective charters, they holding, very tenaciously, to the opinion that their charter rights could not be lawfully abridged by subsequent legislation. The controversy was long continued. At length the Provident Institution of Boston took the matter to the court for settlement. The court decided that the laws of the State, being for the good of all, could not be construed as favoring any, and that all banks, charter privileges to the contrary notwithstanding, must conform to the requirements of the general law.

BOARD OF COMMISSIONERS OF 1851.

The term of the bank commissioners, appointed in 1838, having expired in 1843, the matter went by default until 1851, when a Board of Bank Commissioners was created, having similar powers

and duties to their predecessors. This board, however, was required to visit each bank once every two years instead of annually, one-half to be visited each year, and all new ones during the first year of their existence. It was provided that special examinations should be made at the instance of five or more bank officers, or of the same number of creditors, instead of at the request of the Governor. These commissioners were to make their returns to the Secretary of the Commonwealth annually in December, and were also required to report all violations of the law to the Attorney-General for enforcement.

It was also provided that no bank should be allowed to discount a note or bill of exchange on which the name of a bank commissioner appeared. In 1858, this last provision was amended so as to prohibit said commissioners from becoming sureties for borrowers. These provisions were incorporated into the general statutes of 1860 with slight changes.

In 1865, the Board of Commissioners was abolished, to take effect January 1, 1866. In April of the same year the office of Commissioner of Savings Banks was created, with the same duties and responsibilities as the Board of Commissioners, except that examinations were to be made annually. Thereafter, the bank returns were made to this officer instead of to the Secretary of the Commonwealth. In 1875, an additional commissioner was appointed to assist in the increasing duties of the office.

TAXATION.

In 1850, the subject of the taxation of bank deposits began to be agitated in certain quarters with considerable warmth, and a petition was presented to the House of Representatives asking for legislation in this direction. The committee to whom the matter was referred made a report in which the situation as viewed by them was stated as follows: "The act petitioned for would deter people from depositing in savings banks, and would weaken the stimulants and inducements to industry and frugality among the people of the Commonwealth, and increase the number of the poor, the poor rates, and the taxes upon property already subject to taxation, thus injuring many and benefiting none."

That this view of the situation was very much distorted is quite evident in the light of later experience. The rights and privileges of these institutions, as we have seen, were guarded with most jealous care; and it is greatly to the credit of those having their welfare in view, that a becoming prudence was always manifested in giving sanction to anything that had the semblance of innovation. The fact, however, was becoming more and more apparent, that the Institution for Savings was no longer solely what its founders had intended to have it, namely, a place where the wage

worker and other persons of limited means might safely and profitably leave their small accumulations. The success and reliability of these institutions had begun to recommend them as a means of investment for persons of fortune. It was this circumstance, more than anything else, that brought about the agitation in favor of taxation of bank deposits. It was found, also, that the number of individuals who were taking advantage of the law authorizing savings banks to loan on taxable securities were becoming daily more numerous throughout the Commonwealth. The banks were carrying a considerable amount of such securities as collateral for loans, when, in 1849, a law was passed requiring them to make returns to the assessors of the towns in which the parties so pledging lived, of the names of the persons and the amounts held for the benefit of each. These returns were to bear date May 1st each year.

In 1851, a law was passed covering the other ground just referred to, in so far as it required the treasurers of the banks to return to the towns of Massachusetts an annual statement of the amounts on deposit in excess of \$500 belonging to the individuals named, residents of said towns. These returns were required to bear date May 1st, and to be forwarded previous to the 10th day of the same month, under penalty of a fine of fifty dollars for any neglect so to do.

By a law of April, 1852, the above act was supplemented so as to permit an assessor of any city or town in the State to call for a statement, from any savings institution, of the amounts to the credit of any residents of said town, when said amounts were in excess of \$100. In 1866, this limit was changed to \$200. Such requests from assessors were to be in writing, and could be made at pleasure.

These provisions were but preliminary to the law to which they soon proved to be an inadequate substitute. They were abolished in 1862, and a State tax of one-half per cent. on deposits substituted. In 1863, the tax was increased to three-fourths per cent.; in 1865, it was reduced to one-half, and in 1868 raised again to three-fourths per cent. This taxation of deposits, while it met with strong opposition in certain quarters, as was to be expected, proved to be the most equitable adjustment of the interests of all concerned that could have been devised. The final tax of three-fourths of one per cent. was only about one-half the rate imposed on other taxable property—a discrimination to which no exception appears to have been taken.

FIVE CENTS SAVINGS BANKS.

In the two years, 1854 and 1855, twenty-six new banks were organized. Of this number, twenty started on the plan of receiving

deposits as small as five cents at one time. The main purpose of this departure appears to have been to facilitate deposits on the part of minors. It was to this end that provision was made to enable minors to deposit and to draw at will. While it was an idea new to Massachusetts, the wisdom of the provision had been sufficiently demonstrated in England, where it had been incorporated into the general laws as early as 1817; and also in the State of New York similar legislation had obtained since 1820. This provision was incorporated into the general laws of this State in May, 1855.

CRISIS OF 1857.

The financial and commercial reverses of 1857 were less severely felt among the banks than in 1837. The banks of discount were on a safer footing at this time, and hence, were better able to stem the current of the impending disaster. The savings banks were doubly assured of practical exemption from the general reverses, from the fact that great care had been exercised since 1837 in regulating the amount of funds invested in bank stock in any form; and, also, from the very evident fact of the unusually stable condition of these banks just alluded to. From the following statement of the investments of the savings banks in 1858, it will be seen that, whereas the amount loaned on the credit of the banks in 1834 was 70 per cent., and in 1838 about 50 per cent., at this time it was only about 25 per cent. Carrying the comparison yet further, it is instructive to notice that in 1838 the loans on mortgages were 22 per cent. of the total loans, and in 1858, 37 per cent. The loans on personal security in 1838 were 13 per cent.; in 1858, 23 per cent.; county and town loans, 1838, 9 per cent.; in 1858, 10 per cent.; loans on public funds, 1838, 1½ per cent.; in 1858, 3 per cent. The official returns for 1858 are summarized as follows:

Total deposits.....	\$33,914,971
Public funds.....	\$1,089,977
Bank stock.....	6,611,431
Loans on bank stock.....	844,213
Deposits at interest.....	1,065,828
Railroad stock.....	104,363
Loans on railroad stock.....	51,380
Real estate.....	207,190
Loans on mortgages.....	12,514,706
Loans to county and town.....	3,363,989
Personal security.....	7,751,265
	<hr/>
	\$33,604,342

COMMISSIONERS' REPORT, 1858.

The most noticeable feature of the commissioners' report for 1858 is the pronounced position taken in opposition to a too intimate connection between the savings banks and the banks of

discount. In practice it had become a very common and profitable arrangement, to open and maintain the one in connection with the other. By this method the necessary expense of office rent was reduced, and, in many instances, the officers of one being the officers of the other, an additional item, and a very considerable one, was also saved. It was evident to the commissioners that this arrangement was likely to result, in the course of time, in evil to the weaker institution, which would be, in nearly every case, the savings bank. In fact, it had been found in a number of instances that the affairs of two institutions thus domiciled were very far from being distinct, the one from the other. And, in the judgment of the commissioners, the tendency was inevitably in the direction of confusion and of ultimate loss to the savings banks where such relations were permitted. The language of the report is as follows: "In some instances we have found cashiers of banks officiating also as treasurers of savings institutions. This combination of duties we regard as objectionable. We think that, as a general rule, there should be as little connection as possible between banks and savings institutions." The solicitude thus expressed found similar utterance in the reports of succeeding commissioners.*

The report also calls attention to the fact that the feelings of jealousy which had been manifested towards the law of 1834 by banks previously organized, in that it had invaded and abridged their charter privileges, were still conspicuously manifest in certain quarters.

REPORT OF 1861.

The Bank Commissioners' report, made to the Legislature in 1861, has been considered one of the most valuable and suggestive documents ever laid before that body on the subject of the banks. It presents a very thorough analysis of the theory, policy, and practical operation of these institutions, besides giving comparative statistics of their development. The commissioners at this time were Geo. Walker, J. F. Marsh, and W. D. Forbes.

Some of the facts contained in this report are of interest in this connection; particularly the figures representing the growth of the system. The number of banks in 1834 was 22; in 1860 there were 93, an increase of fourfold. In 1834, the number of depositors was 24,256; in 1860, 230,068, an increase of 848 per cent. The deposits in 1834 amounted to \$3,407,774; but in 1860 they were \$45,054,-

* At the time of this writing (March, 1889,) an adverse report is made in the Legislature of Massachusetts on the question of separating the management of national and savings banks. This action is a great disappointment to both Governor Ames and Bank Commissioner Chapin, both of whom have pointed out the need of new and stringent legislation in this matter, if the State is to maintain its cherished reputation for careful control of its banking institutions.

236, a significant increase of 1,222 per cent. The average deposit in 1834 was \$140.49; in 1860 it was \$195.82, an increase of 39½ per cent. The average deposit to each person of population was \$5.58 in 1834, and \$36.59 in 1860, an increase of 620 per cent. The percentage of population as depositors, in 1834, was 1 in 25; in 1860, as 1 in 54-10. The average expense of managing the institutions for the six years, 1834-9, was one-third of 1 per cent. of the deposits; for the six years, 1855-60, it was twenty-eight one-hundredths of 1 per cent. The average dividend for five years, from 1840-44, was 5¼ per cent.; for six years, from 1855-60, it was about 6¾ per cent. During the ten years from 1850-60, deposits increased 231 per cent., while the population of the Commonwealth increased only 24 per cent. During the same period the valuation of the State increased 50 per cent., but bank capital increased 75 per cent. These figures indicate very clearly the relative growth of population and wealth in Massachusetts during the given periods. And what was true in this State was very largely true in other New England States, as well as in New York. The accumulations were greatly in excess of the advance in population.

The report also points out the fact that the material advancement in this country was much greater than that in any country of Europe; and also, that the laboring people of Massachusetts were accumulating money, in the form of bank deposits, much more rapidly and generally than was found to be the case among like classes in other lands.

At no time previous to the very exceptional year of 1860 was there a decline either in deposits or in the number of depositors in the savings banks of this State. And it is stated, as an indication of the greater relative resources of the working people of this country, that the yearly fluctuations of deposits have always been less severe and violent in this country than in England or France.

Most prominent and important among the suggestions presented in the report, is the recommendation that the possible scope of investments be enlarged, so as to include the best municipal securities, such as the bonds of the cities of Portland, Hartford, Providence, New York, and Albany. It will be seen that this suggestion bore fruit in the Act of 1863.

CONDITIONS IN 1861.

The opening of the Civil War wrought many changes in the financial conditions of the country. The demand for money, universal and imperative, was felt in every community. The rates of interest rose at once, and quite decidedly. Investments in public funds became the most attractive on the market, by virtue of such advance. The extent to which the opportunity was embraced by

the banks is made evident by an examination of their returns. In 1861, the amount invested in public funds was \$3,111,148; the maximum was reached in 1868, when the amount was \$31,987,621. Of this sum, \$25,488,011 was in Government bonds, these having been, during the war period, a most attractive investment for the banks.

EFFECT OF USURY LAWS.

The usury laws of Massachusetts had limited the rate of interest chargeable in certain cases so that mortgages of real estate paid the banks but six per cent. The demand for money by the Government at higher rates, therefore, wrought mischief with this class of investments. The purpose of all usury laws has been, primarily, to protect the borrower; and yet, was it ever known that such laws accomplished their purpose? To the contrary, have they not more frequently wrought untold hardship? At this particular juncture, the results of the law were very manifest. The Government offered, at the outset, interest at the rate of 7 3-10 per cent., while the rate on mortgages was unalterably fixed by law at a maximum of six per cent. Very naturally, therefore, bank deposits were turned out of the channel of real estate investments into that of public securities, consisting, very largely, of Government bonds. Persons of small means, having only a home wholly or in part paid for, found it nearly impossible to raise money upon the same, in the hour of necessity, in consequence of the practical hardship of a law that had been enacted ostensibly for their particular benefit. Not only did the loans upon real estate security not increase during a period when the demands for money from every quarter were unexampled, but they show an actual and decided decline. In 1862, the total loans by the banks on real estate security amounted to \$18,408,749; while in 1865 they had fallen to \$15,534,568. It was these conditions which suggested, and rendered imperative, the law of May, 1865, making it legal, for one year thereafter, to contract for interest at the rate of 7 3-10 per cent., for a period not to exceed one year. The beneficence of this law became so apparent, in contrast to the old one, that, in 1867, the usury laws were finally repealed.

The impulse immediately given to real estate security for loans was apparent. Such loans on the part of savings banks, which, in 1865, amounted to 25 per cent. of their deposits, increased to 60 per cent. in 1875.

INVESTMENTS—ACT OF 1863.

The general law of 1834 limited the amount to be invested in the capital stock of any corporation to 10 per cent. of the deposits; but in no case was such loan to exceed \$100,000. The law of 1855, also, provided the same limit. By an act of 1863, this

restriction was made to cover not only *investments* in such stocks, but, also, such loans as might be made on notes, with stock as collateral security.

This same act, also, provided for a wider range of investments for institutions for savings, by adding the following securities: (1) public funds of the State of New York; (2) bonds or notes of New England cities; (3) first mortgage bonds of any railroad in the State duly incorporated, and which had paid regular dividends for two years next preceding such investment; (4) bonds of railroads which were unincumbered by mortgage; (5) notes of citizens of Massachusetts with the above described stocks as collateral; or, on pledge of stock of such railroads, at not over eighty per cent. of market value, or over ninety per cent. of par value. These provisions, of course, did not apply to horse railroads.

RELATIONS WITH THE NATIONAL BANKS.

As the National began to succeed the State banks, the general provisions regulating the legal relations between them and the savings banks for the most part remained the same as with the State institutions. Strange to say, however, it was provided that no savings bank should hold, in any form, the stock of any such bank, to an amount exceeding *one-fourth* its capital—the limit in the case of the State institutions having been *one-half* the capital stock.

REAL ESTATE.

Previous to 1870, the savings banks were only allowed to invest their funds in real estate by special act of the Legislature. Such authority had been given in a few instances. During that year a general law was enacted, allowing a bank to invest not over ten per cent. of its deposits in real estate for banking purposes, but, in no case, was the amount so invested to exceed \$200,000.

By a law passed in 1868, it was provided, that real estate held under foreclosure, or, by sale under provisions of the mortgage, or, upon judgment for debts due, or, upon settlement to secure such debts, must be sold within five years from the date of assuming such security.

UNCLAIMED DEPOSITS.

The first act of the Legislature relating to unclaimed deposits was passed in 1871. The savings banks of this State had had an uninterrupted career of more than sixty years, during which time nearly two generations of depositors had passed away. It had been found that, in very many cases, the banks were holding money upon which no claim had been made for a good many years. Also, in numerous instances, the lawful limit prescribed for deposits, and for the accumulation of interest, had been reached,

necessitating some action whereby the parties interested, or their legal representatives, might be brought to a knowledge of the facts. The law of 1871 was the first step taken in the matter, and seems to have covered only the matter of excessive interest. It provided for public notification through the papers, once in five years, of the names of the parties interested, with the last known residence of each, and of the sums held, over and above the amount on which interest was allowed.

In May, 1887, an act was passed providing for this matter more in detail. It demands that within fifteen days after the last business day of October, 1887, the treasurer of each savings bank shall return to the Commissioners of Savings Banks a sworn statement containing the names, amounts to the credit, the last place of residence or post office address, together with the fact of the death—if known to the treasurer—of depositors who shall have made or withdrawn no part of their deposit within the twenty years next preceding. The treasurer is also to give public notice of the above facts through the papers once a week for three weeks in succession. These requirements do not apply to persons known to be living, or to accounts representing less than twenty-five dollars. The commissioners are expected to embody all such returns in their annual report.

DISCRIMINATION.

Among the early laws for the government of savings banks, it was provided that no persons interested in making the loans for such institutions should themselves become borrowers of the same. The law proved to be a wise one. In the course of time it came to light that an abuse, resembling somewhat the one which the above law was intended to prevent, had become somewhat common. It was found that favoritism was too often shown in the placing of investments. Personal acquaintance, direct or indirect, had more weight, at times, than the actual merits of the security offered would warrant. Thus, to a certain extent, the public found their privileges with these institutions unduly and improperly abridged. It must not be understood that this abuse of their trust by bank officials was by any means common in the State. It was not general, but frequent and disturbing enough to call for legislative action, which was had in 1872. The act of that year provided that the taking of any fee by an officer of an institution for savings, or the depriving of any individual of his rights or privileges, by any preference being shown in the matter of granting loans, was an offense punishable by a fine of twice the amount illegally taken.

ANNUAL RETURNS.

The law regarding the annual returns to the Government on the

part of the banks has been changed from time to time. The purpose seems to have been to keep the public informed, more and more definitely, in regard to the growth and practical working of the system, not less than to provide against illegal practices, and the unwarranted abuse of privilege and authority. From 1846 to 1860 the changes in the law were infrequent. The general statutes of 1860 contained one noticeable amendment, in that a return was required of the average annual rate of dividend since the last extra dividend, instead of for the previous five years, as formerly demanded. This was again changed, in 1862, to the demand for a statement of the dates on which extra dividends were declared, and of the average annual per cent. of dividends for the period ending at the time of and including the last extra dividend.

In 1867, the following items were called for in addition to previous requirements:

1. Number and amount of deposits received.
2. Number and amount of deposits received exceeding \$300 at one time.
3. Number and amount of withdrawals.
4. Number of accounts opened.
5. Number of accounts closed.
6. Surplus on hand.

An act of 1874 added the following:

1. Rate of interest on loans.
2. Total amounts of loans at different rates of interest.

In 1875, another act called for the number and amount of loans not exceeding \$3,000 each.

The law of 1876 provided for a much larger number of items than had previously been required. They may be summarized as follows:

1. Returns were to be made to close of business the last business day of October.
2. Number of corporators.
3. Amount of deposits, and each item of other liabilities.
4. Par value, and estimated market value of public funds, bank stock and railroad bonds, held as investments.
5. Estimated value of real estate, with the amount invested in same.
6. Amount of profits earned.
7. Rate and amount of each semi-annual dividend, instead of each ordinary dividend.
8. The time for declaring dividends to be fixed by the by-laws of each institution.
9. Number of open accounts. (Instead of number of depositors, as previously.)

An act of 1879 added the following items to the required returns:

1. Number of deposits of \$1,000 and upward.
2. Number and amount of deposits of \$200 and less.
3. Number and amount of deposits of \$100 and less.
4. Number and amount of deposits of \$50 and less.
5. Number and amounts of deposits held by women, guardians, in trust, and by charitable associations

In 1880, the act of 1879 was repealed, and the following substituted :

1. Number and amount of open accounts of \$50 and less.
2. Number and amount of open accounts exceeding \$50 and less than \$100.
3. Number and amount of open accounts exceeding \$100 and less than \$200.
4. Number and amount of open accounts exceeding \$200 and less than \$500.
5. Number of accounts of \$1,000 and more.
6. Number of accounts to the credit of females, guardians, in trust, and of religious and charitable associations, whenever called for by the commissioner.

In March, 1888, this portion of the general law was still further amended, and all previous amendments consolidated, so that sections 40 and 41 of chapter cxvi. of the Public Statutes now read :

Sec. 40. "The treasurer of every such corporation shall annually, within twenty days after the last business day of October, make a report to the commissioners, showing accurately the condition thereof at the close of business on said day. The report shall be in such form as the commissioners shall prescribe, and shall specify the following particulars, namely: Name of corporation and number of corporators; place where located; amount of deposits; amount of each item of other liabilities; public funds, including all United States, State, county, city, and town bonds, stating each particular kind, the par value, estimated market value, and amount invested in each; loans on public funds, stating amount on each; bank stock, stating par value, estimated market value, and amount invested in each; loans on bank stock, stating amount on each; railroad bonds, stating par value, estimated market value, and amount invested in each; loans on railroad bonds, stating amount on each; estimated value of real estate, and amount invested therein; loans on mortgage of real estate; loans to counties, cities, or towns; loans on personal security; cash on deposit in banks, with the names of such banks, and the amount deposited in each; cash on hand; the whole amount of interest or profits received or earned, and the rate and amount of each semi-annual and extra dividend for the previous year; the times for the dividends fixed by the by-laws; the rates of interest received on loans; the total amount of loans bearing each specified rate of interest; the

number of outstanding loans which are of an amount not exceeding three thousand dollars each, and the aggregate amount of the same; the number of open accounts; also the number and amount of deposits received; the number and amount of withdrawals; the number of accounts opened, and the number of accounts closed, severally for the previous year; and the annual expenses of the corporation; all of which shall be certified and sworn to by the treasurer. The president and five or more of the trustees shall certify and make oath that the report is correct according to their best knowledge and belief." Section 41. "Beginning with the year ending with the last business day of October, 1889, and annually thereafter, such reports shall also state the number and amount of deposits of fifty dollars and less, of those exceeding fifty dollars and not more than one hundred dollars, of those exceeding one hundred dollars and not more than two hundred dollars, of those exceeding two hundred dollars and not more than five hundred dollars, of those exceeding five hundred dollars and less than one thousand dollars, of those of one thousand dollars or more; and of those to the credit of women, both adult and minor, guardians, religious and charitable associations, and in trust, respectively, received during the year."

LAW OF 1876.

The general law of 1876, approved October 1st, was, in the main, a codification of existing laws governing institutions for savings. This law, with such amendments as were made previous to 1882, was incorporated into the general statutes of that year. In this re-arrangement, certain important changes were adopted, a brief summary of the more important of which seems called for in this connection.

1. Trustees to meet once in three months, to prepare a statement from the books of the exact condition of the bank, such statement to take the form of a trial balance of its accounts. This statement to be posted in a conspicuous place in the bank until the next meeting.

2. The maximum amount of deposits to be loaned on first mortgages in the State, was reduced from 75 to 70 per cent.; such loans not to exceed 60 per cent. of a fair valuation. All loans to be made on the recommendation of not less than two members of the board of investment, who shall certify thereto.

3. Deposits in national banks, on call and at interest, not to exceed 20 per cent. of the total deposits. (In 1860, the amount allowed was 7 per cent., and in 1863, 12 per cent.)

4. Loans on personal security not to exceed one-third (changed from one-half) of deposits, and to run not longer than one year.

5. Before declaring a semi-annual dividend, there must be reserved,

out of the six months' earnings, not less than one-eighth nor more than one-fourth per cent. of the deposits, as a guaranty fund, until the same shall have reached five per cent. of the deposits, at which amount it shall be maintained to meet losses.

6. Ordinary dividends limited to five per cent.

7. No dividend to be declared unless the net profits of the previous six months, over and above such sums as are added to the guaranty fund, are at least two per cent. of the deposits, without the approval in writing of the Savings Bank Commissioners. (In March, 1880, the amount of net profits required was changed to $1\frac{1}{2}$ per cent.)

8. Once in three years, when the net profits over and above the guaranty fund and the regular dividends amount to one per cent. of such sums as have remained on deposit for one year next preceding, such profits *shall* (changed to *may* in 1888) be divided among depositors whose funds shall have remained on deposit for one year at least, in proportion to the amount of dividends declared on their deposits for the three years preceding.

The practical results of the law regulating the accumulating of a reserve, seem to have been effectual in preventing the widespread tendency to divide the entire profits semi-annually among the depositors. The tendency to compete with each other, among the banks, led, too often, to the sacrificing of the guaranty fund for the sake of a more favorable showing in dividends. Thus we find that in 1867, the average surplus held by the savings banks was 3.94 per cent. of the deposits. In 1870, the average was 1.83 per cent.; in 1871, 1.77 per cent.; in 1872, 1.65 per cent.; and in 1873, 1.56 per cent.—a continuous decline. The law of 1876, as has been seen, calls for an undivided guaranty fund of five per cent. of the deposits.

THE CRISIS OF 1873.

The panic of 1873, coming unannounced, as do all such crises, found the banks poorly prepared to weather the impending storm. The investments in real estate mortgages were not only large, but it was soon found they had been based too generally on excessive valuations of the property involved. Hence, when the depression came, real estate values fell to a point alarmingly near, and too often below, the amount of the mortgages. The attempt to force the sale of such property resulted in a further decline. Besides, the demands by depositors became continuous and unusually large. Individual necessity compelled many to resort to their bank accumulations to meet their expenses. Reduced incomes, incident to hard times, was the aggravating cause of this necessity. The savings banks were expected to respond promptly to such demands. But the chief difficulty was not found in dealing with these small

depositors, whose withdrawals, though considerable in the aggregate, were individually limited. The situation became trying, and at length alarming, when large depositors, those who had used the banks as a convenient means of investment, began to withdraw their deposits from fear lest the banks might succumb to the trying ordeal through which they were passing. Not only was it found that large numbers had accounts reaching the full lawful limit, but, in numerous instances, resort had been had to ingenious devices, whereby a person, by opening several accounts, "in trust," for example, for as many imaginary individuals, had credit on the books for several times the amount permitted by law. When the crisis came such accounts were the first to be closed.

Taking into the account all these contingencies which seemed to operate with peculiar force just at this juncture, and also considering the other fact, that the financial and commercial depression was of unusual duration, it is not, perhaps, so surprising, that the period from 1873 to 1880 was one of unexampled severity in the history of the Massachusetts savings banks. Whether regarded from the point of view of the number of institutions involved, or of the aggregate losses, the record is equally without a parallel.

STAY LAW OF 1878.

The "stay law," so called, of March 21st, 1878, was the immediate outcome of this distressing situation. It was intended, not, as has been very generally supposed, as a measure to shield the banks, but as the best available method to protect the interests of depositors. This view of the matter—and it is the true and only reasonable one—was but little regarded at the time, and much unjust and harsh criticism of the law and its authors was indulged in by those whose immediate interests were the most protected thereby.

The law simply provided that the Bank Commissioners should be empowered to limit the time and the amount of the payments to depositors whenever, in their judgment, the welfare of the depositors so demanded. The right of appeal to the court was reserved to the depositor in case of any dissatisfaction; the decision of that tribunal was to be final. The May following, a law, supplemental of the foregoing, was passed, giving debtors of a bank the right to set off a deposit against a claim, where both were vested in the same individual, provided said deposit was not made over from another person subsequent to the commencement of a suit. This amendment, however, being pronounced unconstitutional by virtue of its implied favoritism toward certain debtors, the Attorney-General advised the banks not to act under it, at least for a time.

The first bank to take advantage of the stay law was the Brighton

Five Cents, which made application for the same on the very day the law passed the Legislature. In this case, the Bank Commissioners directed that, during the period from March 21st to September 21st, 1878, not more than 10 per cent. of the total amount due should be paid to each depositor; 10 per cent. additional was to be paid during the period from September 21st to March 21st, 1879. No further sums were to be paid except by order of the commissioners.

Between the passage of the stay law in March, 1878, and November 1st, 1879, twenty-four banks availed themselves of its protection, all but six of which resumed at the expiration of the prescribed limit of time, where the order had not been previously revoked. Of these six, all but one were ultimately restored to full corporate functions, the Ashburnham alone going into voluntary liquidation.

The real magnitude of the crisis can be justly estimated when it is known that out of the 180 savings banks in operation in October, 1875, no less than forty-six were forced either to suspend payment entirely, or to seek refuge under the "stay law." Twenty-four out of the above forty-six were stopped by injunction of the Supreme Court, and twelve of these were obliged ultimately to close their affairs, two only paying in full.

Regarding the amount of liabilities involved in this disaster, we quote from an article on the subject by Dudley P. Bailey. He says: "The amount involved was one-fifth of the largest sum ever held on deposit by the savings banks. The liabilities of the banks placed under injunction amounted, at the date of the proceedings against them, excluding duplications, to \$24,439,218. The liabilities of the restricted banks, not including those enjoined, amounted, at the date of restriction, as nearly as can be ascertained, to \$27,873,414, giving a total of \$52,312,633, out of a maximum of deposits, in 1877, of \$244,596,614. When it is remembered that this large sum for a considerable portion of two years paid no dividends, and that in many of the banks there will be a considerable loss of principal as well as interest, the magnitude of the disaster to the material and moral interests of the State can be in some measure appreciated." The same authority also states that, while the net losses of all the savings banks of the State for the fifty years preceding 1866 were only two-thirds of 1 per cent. of the average deposit for the period, the losses for the thirteen years, from 1867-79, were 2.2 per cent. of the average deposit for the latter period. "While the average deposit increased only about fifteen times, the losses increased thirty-eight and one-half times." Placing the average liabilities of the banks for two years at \$20,000,000, and estimating the losses at not less than two years' dividends at 4 per cent., the total loss from this source would reach \$1,600,000. From whatever point, then, we view the situation, the calamity appears sufficiently

appalling. Annexed will be found a table showing the details of the operation of the stay law on the twenty-four banks to which alone the law has ever been applied :

TABLE SHOWING OPERATION OF THE BANKS UNDER THE STAY LAW.

<i>Name.</i>	<i>Date of Order.</i>	<i>Deposits.</i>	<i>Per Cent. Paid in 1878.</i>	<i>Per Cent. Paid in 1879.</i>	<i>Period of Continuance of Order.</i>
Brighton, 5 cents.....	March 23, 1878..	\$245,594 59	20	20	For one year, not renewed.
Great Barrington.....	" 30, 1878..	417,416 34	20	—	Renewed, April 7, 1880.
Lawrence.....	April 4, 1878 .	458,967 61	20	40	For one year, not renewed.
Wellfleet.....	" 8, 1878..	421,522 19	20	25	Do. do.
Charlestown, 5 cents.....	" 18, 1878..	3,135,490 59	20	25	Do. do.
Cape Cod, 5 cents.....	" 15, 1878..	396,454 24	20	40	Do. do.
South Boston.....	" 9, 1878..	1,565,790 41	20	25	Revoked March 2, 1880.
East Boston.....	" 18, 1878	1,957,916 83	20	25	For one year, not renewed.
Seamen's (Provincetown)....	" 19, 1878..	597,604 04	40	30	Do. do.
Foxborough	" 30, 1878..	188,152 95	20	20	Extended to March 21, 1881.
Bristol Co. (Taunton).....	May 6, 1878..	2,904,404 00	30	40	Revoked April 17, 1880.
North End (Boston).....	" 10, 1878..	541,089 94	30	30	Do. April 29, 1880.
Franklin (Boston).....	" 14, 1878..	3,678,164 71	40	—	Do. March 1, 1879.
Union (Fall River).....	" 16, 1878..	624,657 79	20	25	Renewed May 16, 1879.
Bass River (So. Yarmouth)...	" 16, 1878..	220,228 72	30	30	Revoked Feb. 25, 1880.
Fall River, 5 cents.....	June 10, 1878..	1,240,354 86	20	30	Do. March 1, 1880.
Citizens' (Fall River).....	" 11, 1878 .	1,733,022 00	20	—	For one year, not renewed.
Hyde Park.....	" 14, 1878..	46,330 00	20	20	Renewed June 14, 1879.
Fall River	" 28, 1878..	5,598,937 04	20	25	Revoked April 3, 1880.
Fairhaven	Oct. 28, 1878..	978,100 67	20	25	Do. Aug. 17, 1880.
Nantucket.....	Dec. 10, 1878..	561,628 97	20	20	Renewed Dec. 10, 1879.
Weymouth.....	May 20, 1879..	760,601 70	—	20	Revoked Nov. 20, 1880.
Ashburnham.	June 20, 1879..	18,340 90	—	30	Do. Nov. 1, 1879, and closed.
Taunton.....	Nov. 1, 1879..	1,319,771 39	—	10	Do. April 17, 1880.
Total, 24 banks.....	\$29,610,602 48			

BOARD OF COMMISSIONERS.

With the increase of the number of savings banks, and the consequent demand for their thorough and frequent supervision, the

duties of the commissioner, appointed in 1866, were fast getting beyond control. Accordingly, to supplement his labors, an additional commissioner was appointed in 1876, the two to be known as the Board of Commissioners of Savings Banks. The original members of this board were J. Gatchell and C. Curry. They made their first report to the Legislature, January 3rd, 1877, it being the eleventh in the series since the appointment of the first commissioner.

The duties of the Receiver, during and for some time subsequent to the year 1878, when so many banks were forced into liquidation, were important and responsible. It was desirable that their doings should be properly inspected and audited. Accordingly, in May, 1878, an act was passed placing the matter in the hands of the commissioners. It was provided that said commissioners should examine and report upon the returns of such receivers when so required by the court. They were also required to examine, once each year, the accounts and the doings of the receivers, and to embody the results of such examination in their annual report. The commissioners were to have free access to all books, and were required to report all violations of duty to the Supreme Judicial Court. They were also empowered to examine officers of banks, if desired, in the prosecution of these duties.

The commissioners having brought to the attention of the Legislature the fact that they had found methods of bookkeeping employed in certain savings banks radically defective, by an act passed in April, 1879, the authority to prescribe such methods as were considered satisfactory was given the board. This authority covered, also, the matter of auditing.

In March, 1880, it was made the duty of the commissioners to hold in their custody a copy of the bonds given by the treasurers of savings banks, and to request new bonds whenever they seemed to be demanded.

By an act of March 16, 1882, all books and papers of insolvent banks are to be deposited with the Commissioners of Savings Banks, by the receivers of such institutions, within one year after the final settlement of their affairs.

In February, 1888, the law of 1876, requiring the commissioners to visit and examine the savings banks once each year, and oftener if necessary, was amended, so as to provide that in cases where an institution is connected with a national bank, arrangements shall be made whereby said commissioner shall make his visits in connection with the national bank examiner.

TAXATION.

From first to last, the matter of the taxation of savings banks has attracted not a little attention from legislators and others. As

we have already seen, the proper course to be pursued in this particular, in connection with the deposits, was for a long time an unsettled problem, resulting, finally, in a direct tax. It is probably true that the savings banks of Massachusetts have gained immeasurably, in comparison with those of other States, by favorable legislation in this matter of taxation.

In March, 1879, the law of 1876 was amended, exempting from taxation such real estate as was held by the banks under foreclosure, by virtue of the provisions of the law of 1868, and for the period there specified. This provision afforded great relief at a time when the banks were forced to carry an unprecedented amount of such assets.

An act of May, 1881, provided for the exemption from the State tax such deposits as were invested in real estate mortgages, or in real estate used for banking purposes. This was a modification of the acts of 1862 and 1868, and was one of the early steps in the direction of the removal of taxes twice imposed.

By the law of 1868 the tax on deposits was reduced from three-fourths to one-half of one per cent. In May, 1881, it was again restored to three-fourths per cent., to take effect after January 1st, 1882.

The law of 1876 provided that real estate, held under foreclosure, could remain a legal asset for five years from the date of foreclosure, at the expiration of which time the property must be sold. To such an extent had the savings banks been forced to assume such property, during the period of depression from 1873 to 1880, that compliance with the law at this juncture threatened serious losses to these institutions. The conditions of the market did not warrant the indiscriminate forcing of real estate sales. Accordingly, the original law was set aside by the Legislature from time to time, for certain specified periods, to meet this situation. It was extended thus in 1882, 1883, 1884, and 1886, by several special acts of the general court. In 1886, the limit was established at July 1st, 1888, with the provision that further time be allowed, at the request of the trustees of any institution, by the Bank Commissioners.

RECEIVERS.

In March, 1881, the general court passed an act providing for the final disposition of such funds as remained in the hands of receivers, after the affairs of an institution for savings had been formally and legally closed. It was as follows: "Receivers of insolvent savings banks and institutions for savings having unclaimed moneys or dividends belonging to the estate of any such corporation remaining in their hands for one year after the final settlement ordered by the court, shall deposit the amount so remaining uncalled for with the treasurer of the Commonwealth, with a

schedule of the names and residences, so far as known, of the parties entitled thereto, and said treasurer shall receive and hold the same in trust for such parties and their representatives; and said treasurer shall pay over the same to the parties entitled thereto, upon proper demand made therefor, upon being furnished with evidence satisfactory to him of the identity of the claimant and the justice of the claim."

In June, 1883, an additional provision was enacted, requiring receivers to make annual returns to the court of the names, amounts due, and the residences, when known, of such persons as have not claimed the amount due them from any insolvent institution. The court has to require notices served on such persons in due form. After one year from the date of such notice, the receivers are required to report again, after which all remaining moneys are to be turned over to the treasurer of the Commonwealth as before provided. All books and papers are to be deposited in like manner.

There is no part of the law governing savings banks that has been subjected to more numerous changes and amendments, from first to last, than that relating to the matter of investments. With the growth in number and in available resources, the banks have been brought face to face with the practical difficulty of loaning their funds within the limits prescribed by law. In the exercise of their duties of supervision over the affairs of these institutions, the Bank Commissioners have been led, from time to time, to suggest and recommend such increased facilities for making loans as, in their judgment, seemed within the bounds of safety. Very many of these suggestions have been incorporated into the laws regulating investments.

The law of 1876 limited investments in county and town notes, to such as were issued by counties and towns in Massachusetts, under prescribed conditions. In 1880, this privilege was extended to include the States of Maine, New Hampshire, Vermont, Rhode Island and Connecticut where the indebtedness did not exceed 3 per cent. (changed to 5 per cent. in 1881) of the valuation.

In April, 1881, provision was made for widening the scope of previous enactments, by adding investments in first mortgage bonds of railroad companies incorporated under the laws of any of the New England States, and located wholly or in part therein, and which have earned and paid regular dividends for two years next preceding. Also, the same privilege was granted in respect to the bonds of roads which were guaranteed by the above companies. Also, investments were allowed in the bonds or notes of any Massachusetts railroad unincumbered by mortgage, and having paid a dividend of not less than 5 per cent. for two years; and in the notes of individuals secured by such railroad bonds or notes. In

1887, the above was again amended so as to include the notes of citizens of this Commonwealth, with collateral consisting of the capital stock of any railroad of the New England States, whose road is wholly or in part in the same, and which has paid a dividend of not less than 5 per cent. on all stock for the five years preceding. Loans on such stock are not to exceed 75 per cent. of the market value, and the notes are not to run more than one year without renewal.

In May, 1882, investments in any form in the capital stock of any national bank were limited to 3 per cent. of the deposits. By another act of the same month, investments were permitted in the bonds of the States of Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, Iowa, and the District of Columbia, or in the bonds issued, for municipal purposes, of any city of the above States and of New York State, having more than 50,000 (changed to 30,000 in April, 1885,) inhabitants, and whose net indebtedness does not exceed 5 per cent. of the valuation of taxable property; and in the notes of the citizens of this Commonwealth with the above securities as collateral, such loans not to exceed 80 per cent. of the value of the collateral security. This law was repealed in March, 1887, and another substituted which was in no essential different from the foregoing, except that it specified what census should be used in determining the population of cities, and also changed the amount to be loaned on such collateral from "80 per cent. of the value" to "an amount not exceeding the par value."

It has happened from time to time within the past decade, that many of our best roads, having acquired by purchase, lease, or otherwise, the possession of certain lines or branches, the property of which being subject to some form of incumbrance, has had the effect to invalidate the obligations of the parent road as a legal investment for savings banks. To remedy this practical difficulty, where the credit of the main road was in no way impaired by such acquisition, special acts of the Legislature have been had to cover the individual cases as they have appeared. Such special legislation will be briefly referred to.

1. Act of April, 1883. Investments allowed in bonds or notes of Old Colony Railroad, notwithstanding the mortgage on that part of the road formerly belonging to the Boston, Clinton & Fitchburg Railroad.

2. Act of June, 1885. Investments allowed in bonds and notes of the Fitchburg Railroad, notwithstanding the mortgage on the Boston, Barre & Gardner Railroad.

3. Act of March, 1886. Investments allowed in the bonds of the Worcester, Nashua & Rochester Railroad, notwithstanding the lease to the Boston & Maine Railroad.

4. Act of March, 1887. Investments permitted in bonds or notes of the Fitchburg Railroad issued according to law.

5. Act of February, 1888. Investments allowed in the bonds or notes of the Boston & Lowell Railroad Company, notwithstanding the mortgages on those portions belonging to the Salem & Lowell, and the Lowell & Lawrence Railroad companies.

6. Act of April, 1888. Investments permitted in the bonds and notes of the Boston & Maine Railroad Company, notwithstanding the mortgages on those portions belonging to the Eastern Railroad in Massachusetts and New Hampshire, and to the Portsmouth, Great Falls & Conway Railroad.

7. Act of May, 1888. Investments allowed in first mortgage bonds of New York & New England Railroad issued on their terminal facilities in Boston, said mortgage not exceeding 60 per cent. of the value of the property mortgaged.

Among the general acts of legislation affecting savings bank investments, subsequent to the year 1882, may be mentioned the following :

In April, 1884, clause 6 of section 20, chapter 116, of the Public Statutes, was amended, limiting investments by savings banks and institutions for savings in bonds and other personal securities. The amendment provides "that the total liabilities to any such (bank) corporation, of any person, or of any partnership, company or corporation, for money borrowed upon personal security, including in the liabilities of a partnership or company not incorporated the liabilities of the several members thereof, shall at no time exceed 5 per cent. of the deposits and income."

In February, 1879, a law was enacted permitting loans upon the notes of depositors to the amount of one-half the deposit in each case, the book and deposit to be held as collateral.

In 1885, it was provided that investments could be made in the bonds and notes of such incorporated districts in Massachusetts as have a net indebtedness not exceeding 5 per cent. of the last valuation of its property.

In March, 1886, the amount permitted to be deposited in national banks and trust companies was limited to the maximum of 5 per cent. of the deposits, and in no case to exceed 25 per cent. of the capital stock and surplus of said deposit banks.

GENERAL LEGISLATION.

In May, 1885, a quite important act was passed, providing for the payment of deposits of deceased persons upon orders or drafts given previous to such decease, provided demand for payment is made within thirty days thereafter, or before notice of such decease has been received by the bank.

In March, 1886, a law was passed relating to the bonds required of savings bank treasurers. It had reference to continuing them

in force, by requiring a renewal of the same as often, at least, as once in five years.

By a special act of February, 1886, the Suffolk Bank of Boston was allowed to exceed the prescribed limit in its holding of real estate, the amount being fixed at \$250,000 in addition to that previously authorized.

In February, 1888, an act was passed demanding that during the year 1889, and every third year thereafter, savings banks shall call in the books of depositors for verification, in such manner as the trustees may direct. One of the chief obstacles to a complete and satisfactory examination and verification of the accounts of a savings bank lies in the fact that a large percentage of the depositors seldom present their books for comparison with the bank accounts, having no intelligent idea of the need or desirability of so doing. This law was proposed and enacted for the purpose of meeting in some measure this situation. Many of the institutions employ, temporarily, a special accountant to attend to such examination. In this way the regular officials of the bank are exempt from possible criticism regarding the exactness with which the law is complied with.

In March, 1888, an amendment to the law of 1876, regarding the duties of trustees, was enacted. It covered a point which had for some time been looked upon with apprehension by the commissioners, namely, the want of regularity with which, in some cases, these advisory officers attended to their duties. It was accordingly provided that, "if a trustee fails to attend the regular meetings of the board, or to perform any of the duties devolved upon him as such trustee, for six consecutive months, his office shall thereupon become vacant."

In March, 1888, the forty and forty-first sections of chapter one hundred and sixteen of the public statutes, previously quoted in this history, was slightly amended. The time for making the annual report was changed from fifteen to twenty days following the last business day of October; the returns are to contain a statement of the amount of each extra as well as of each semi-annual dividend; the report is to be signed by the president, as well as by "five or more trustees," and the date on which the law requiring a statement of the number of deposits of each specified amount is to take effect, was fixed at "the year ending with the last business day of October, 1889."

CONCLUSION.

After all, the true test of the value or practical utility of any system is the discriminating analysis of time. If there exist elements of weakness, nothing can prevent their exposure; and, on the other hand, any resources of strength and stability will inevitably find a deserved recognition. Time may, indeed, be a stern arbiter, and yet she is usually a just one.

These reflections force themselves into prominence when viewing in the retrospect the savings bank system of this country, and especially of Massachusetts. Starting in this State, as we have seen, while the idea, in a practical sense, was yet new to the world, it has enjoyed a career of continuous prosperity and advancement. Strange to say, it has met with but few reverses, and these have been brief and generally restricted in their influence; so that the system remains, after more than seventy years of practical operation, as strong and helpful in its maturity as could have been hoped for by its warmest advocates and supporters during its incipency.

We have by no means, however, reason to flatter ourselves that the system has arrived at a condition of perfection, for there may yet be found many suggestions for its improvement. And yet it may be confidently accepted as true, that in no other State of the Union, nor in any country of the old world, has there been a more marked advance, or more permanent and satisfactory results attained, in the practical endeavor to provide for and to stimulate habits of prudence and thrift among the common people than in the State of Massachusetts. The wisdom of her foremost lawmakers, not less than the sound practical sense and business insight of her best citizens, have been invited to the task. The results have been commensurate with the effort put forth; and it is therefore with a just pride that we behold the fruition of their endeavors.

Since the early days of the savings bank system in Massachusetts, as we have seen, most, if not all, legislation in its behalf has been in three distinct, and yet, really analogous directions. First and primarily, the endeavor has been to make the system so simple and practical that every possible means of helpfulness to the common people, for whose benefit these banks are intended, may be afforded. To this end the necessary business details attending the opening of accounts, the deposit and withdrawal of money, the privileges of minors and of dependent persons and the like, have been reduced to the simplest and most apparent methods. Also, in the matter of expense attending the management of the affairs of these institutions, as, also, in the regulation of taxation, a just and proper spirit of discrimination favorable to their pecuniary interests has always prevailed.

Secondly, in the regulation of the very vital interests of these institutions as connected with the investments prescribed and allowed, the policy has always been to give the largest freedom practicable, within the limits of safety. From year to year these limits have been wisely extended, so that they have come to include many of the more substantial classes of securities out of the State, and, in some instances, outside of New England. Originally, the investments were required to be made almost entirely within the limits of Massachusetts, but the widespread development of State

and municipal credit elsewhere, served to dictate a more liberal policy. A strict conservatism, however, has always obtained in all legislation affecting this important interest. There is one class of securities which has never met with special favor among legislators in this State, namely, Western mortgages. Other States have admitted them to their legalized catalogue of investments. It remains to be seen whether these securities will prove safe and reliable during a series of years.

The third point which has engaged the attention of our law-makers quite constantly, and which has had the effect to create a widespread confidence in our savings bank system, is the strict supervision of the affairs of the individual institutions demanded, and the constant publicity given to the same. The sworn returns, required annually of the officers, have been enlarged and elaborated in their details, until they now cover every department and feature of the system, the special knowledge of which can be of any possible value in revealing the internal condition of the banks.

Thus it has been seen that, during the past fifty years, little has been omitted, so far as our present wisdom and experience can dictate, the accomplishment of which would, in any great degree, have given greater strength or increased popular favor to a class of institutions in the State upon the existence of which has depended, in no small degree, the moral as well as the material prosperity of the common people.

Annexed will be found tables showing the growth of the savings bank system from its inception in 1816 to 1887, the year of the latest available returns, which indicate, more succinctly and clearly than could be done in any other form, the various changes that have taken place, and the surprising advance that has been made in the several departments of the system.

TABLE SHOWING THE PROGRESS OF THE MASSACHUSETTS SAVINGS BANKS FROM 1816 TO 1887.

<i>Years.</i>	<i>No. of Charters Granted.</i>	<i>No. in Existence at Close of Each Year.</i>	<i>Years.</i>	<i>No. of Charters Granted.</i>	<i>No. in Existence at Close of Each Year.</i>
1816.....	1	1	1827.....	2	8
1817.....	0	1	1828... ..	5	13
1818.....	1	2	1829.....	2	15
1819.....	0	2	1830.....	0	15
1820.	1	3	1831.....	4	19
1821-4.....	0	3	1832.....	1	20
1825.....	2	5	1833.....	2	22
1826	1	6			

TABLE SHOWING THE PROGRESS OF THE MASSACHUSETTS SAVINGS BANKS FROM 1816 TO 1887—CONTINUED.

<i>Years.</i>	<i>No. of Charters Granted.</i>	<i>No. of Banks in Operation.</i>	<i>Amount of Deposits.</i>	<i>Annual Increase Per Cent.</i>	<i>No. of Depositors.</i>	<i>Average to Each Account.</i>	<i>Dividends Reported.</i>	<i>Average Rate of Dividend.</i>
1834....	8	22	\$3,407,773	—	24,256	\$140.09	\$138,576	—
1835....	3	27	3,921,370	15	27,232	143.99	135,853	—
1836....	1	28	4,374,578	11½	29,786	146.19	166,422	—
1837....	2	30	4,781,426	9½	32,564	146.51	295,225	—
1838....	0	30	4,869,393	2	33,063	147.27	248,039	—
1839....	0	30	5,608,159	15¼	36,686	152.86	216,957	—
1840....	0	31	5,819,554	3¼	37,470	157.98	262,001	—
1841....	0	30	6,714,182	15½	41,423	162.08	246,868	—
1842....	1	30	6,900,451	2¾	42,587	162.03	282,231	—
1843....	0	31	6,935,547	½	43,217	160.40	319,339	—
1844....	0	31	8,261,345	19	49,699	160.23	311,421	—
1845....	4	33	9,813,288	18⅔	58,178	168.66	407,403	—
1846....	5	38	10,680,933	8 5-6	62,893	169.82	345,443	\$4 67
1847....	2	39	11,780,813	10	68,312	172.45	742,462	6 50
1848....	4	41	11,970,448	1¼	69,894	171.26	461,774	—
1849....	1	43	12,111,554	1¾	71,629	169.08	384,843	4 50
1850....	2	45	13,660,024	13	78,823	174.57	470,646	4 64
1851....	8	45	15,554,089	14	86,537	179.73	543,470	4 78
1852....	2	53	18,401,308	12	97,353	189.01	1,033,236	4 69
1853....	6	60	23,370,102	27	117,404	199.05	845,688	4 78
1854....	16	73	25,936,858	11	136,654	189.88	999,877	4 04
1855....	10	80	27,296,217	4⅔	148,263	184.10	1,049,435	4 97
1856....	0	81	30,373,447	10¾	165,484	184.15	1,123,038	4 19
1857....	1	86	33,015,757	8⅔	177,375	186.13	1,242,383	5 05
1858....	0	86	33,914,972	2⅔	182,655	185.67	1,363,993	5 06
1859....	1	86	39,424,419	16	205,409	191.93	1,450,024	5 01
1860....	4	89	45,054,236	14⅓	230,068	195.83	1,663,407	5 05
1861....	5	93	44,785,439	*3-5	225,058	198.99	1,943,532	4 50
1862....	0	93	50,403,674	12½	248,900	202.50	1,977,463	4 13
1863....	2	95	56,883,828	12 4-5	272,219	208.92	2,087,115	4 90
1864....	5	97	62,557,604	10	291,616	214.52	2,258,495	4 14
1865....	3	102	59,936,482	*4 1-5	291,488	205.62	2,738,531	4 75
1866....	1	102	67,732,264	13	316,853	213.76	2,908,235	5 26
1867....	6	108	80,431,583	18⅔	348,593	230.73	3,514,715	5 42
1868....	8	115	94,838,336	18	383,094	247.55	4,481,264	5 80
1869....	20	130	112,119,016	18 1-5	341,769	259.67	5,444,719	6 00
1870....	10	139	135,745,097	21	488,797	277.71	6,725,428	6 11
1871....	18	160	163,704,077	20½	561,201	291.52	8,103,004	6 09
1872....	13	172	184,797,313	12⅞	630,246	293.21	9,622,775	6 07
1873....	2	175	202,195,343	8½	666,229	303.49	10,807,906	6 15
1874....	4	179	217,452,120	7½	702,099	309.71	11,782,914	6 17
1875....	2	180	237,848,963	9 2-5	720,639	330.05	12,816,579	6 15
1876....	0	180	243,340,642	2¼	739,289	329.15	12,403,074	5 67
1877....	0	179	244,596,614	½	739,757	330.64	11,193,795	5 00
1878....	0	168	209,860,631	*14 1-5	674,251	311.25	8,174,568	4 00
1879....	0	166	206,378,709	*1⅔	675,555	305.50	7,272,822	3 68
1880....	1	164	218,047,922	5⅓	706,395	308.68	7,957,887	3 93
1881....	0	165	230,444,479	5⅔	738,951	311.85	8,293,774	4 00
1882....	1	167	241,311,362	4 7-10	772,518	312.37	8,530,385	3 97
1883....	1	168	252,607,593	4.68	806,010	313.40	9,535,391	4 09
1884....	1	168	262,720,146	4	826,008	318.06	9,877,713	4 15
1885....	5	171	274,998,412	4⅔	848,787	323.99	10,284,661	4 14
1886....	0	172	291,197,900	5.89	906,039	321.40	10,504,861	4 06
1887....	0	173	302,948,624	4.04	944,778	320.66	11,155,440	4 06

* Decrease.

TABLE SHOWING INVESTMENTS OF MASSACHUSETTS SAVINGS BANKS
AT DIFFERENT PERIODS FROM 1834 TO 1887, THREE RIGHT-
HAND FIGURES BEING OMITTED IN EVERY CASE.

	1834.	1838.	1847.	1852.	1857.	1863.
Public funds.....	2	70	2,130	1,176	855	18,343
Loans on public funds.....	—	10	14	7	20	591
Bank stock.....	1,192	1,426	1,978	3,555	6,189	9,887
Loans on bank stock.....	557	563	143	550	1,049	371
Railroad bonds..	—	—	—	—	—	—
Loans on railroad bonds.....	—	—	—	—	—	—
Loans on railroad stock.....	—	—	300	261	106	80
Railroad notes.....	—	—	—	—	—	—
Real estate (for banking purposes).....	—	—	92	102	170	348
Real estate (by foreclosure).....	—	—	—	—	—	—
Loans on real estate.....	387	1,121	4,132	5,615	11,099	16,685
Loans on personal security.....	283	672	2,053	5,023	8,885	4,514
Loans to counties, cities, and towns (notes)	269	465	947	2,012	3,370	4,970
Deposits in banks on interest.....	520	568	140	288	1,288	742
Deposits in banks not on interest.....	—	—	—	—	—	—
Loans to Massachusetts.....	—	—	—	—	—	—
Loans on depositors' books.....	—	—	—	—	—	—
Sundry assets*.....	—	—	44	145	214	—
Cash on hand.....	24	144	210	388	296	936

	1867.	1872.	1877.	1882.	1887.
Public funds.....	29,960	21,998	33,229	36,152	40,304
Loans on public funds.....	1,218	1,680	1,259	716	903
Bank stock.....	10,921	16,972	26,154	25,300	26,850
Loans on bank stock.....	441	1,521	1,224	1,117	1,431
Railroad bonds.....	733	4,602	9,076	9,016	21,185
Loans on railroad bonds.....	—	—	133	—	171
Loans on railroad stock.....	278	545	—	—	232
Railroad notes.....	—	—	—	—	3,080
Real estate (for banking purposes).....	576	1,968	2,840	2,540	2,390
Real estate (by foreclosure).....	—	—	5,091	7,201	2,512
Loans on real estate.....	21,259	89,684	116,241	86,129	119,792
Loans on personal security.....	9,636	33,329	34,124	56,928	78,518
Loans to counties, cities, and towns (notes)	6,577	12,464	10,170	9,293	8,791
Deposits in banks on interest.....	1,524	1,729	6,950	12,907	7,717
Deposits in banks not on interest.....	—	—	—	—	528
Loans to Massachusetts.....	—	—	—	—	950
Loans on depositors' books.....	—	—	—	—	215
Sundry assets*.....	—	—	2,135	2,280	909
Cash on hand.....	1,141	1,657	1,521	1,060	611

* This item includes railroad stock, accrued interest, premium and expense accounts, and such other assets as are not classified.

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